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ELLSWORTH C. ALVORD (1964)

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RECORDATION NO. 23619 FILED

AUG 17 '01 : 1-03 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

August 17, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Loan and Security Agreement, dated as of August 14, 2001, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lender: Deutsche Financial Services Corporation
1181 C Lake Cook Road
Deerfield, Illinois 60015

Borrower: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, Minnesota 55330

A description of the railroad equipment covered by the enclosed document is:

21 railcars bearing AGR reporting marks and road numbers attached hereto

Mr. Vernon Williams
August 17, 2001
Page Two

A short summary of the document to appear in the index is:

Memorandum of Loan and Security Agreement

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

EXHIBIT A

DESCRIPTION OF CARS

Cubic Capacity: 6000 - 6444
Car Builder: Gunderson / Thrall
AAR Car Code: E500
Gross Weight: 263,000
Lightweight: 67,000
Load Limit: 196,000

<u>New No:</u>	<u>Old No.</u>	<u>Blt. Date:</u>	<u>Cu. Cap:</u>
AGR 119712	NP 119712	03/67	6007
AGR 119756	NP 119756	03/67	6007
AGR 119781	NP 119781	03/67	6007
AGR 119956	NP 119956	04/67	6007
AGR 119841	NP 119841	04/67	6007
AGR 119890	NP 119890	04/67	6007
AGR 174206	GN 174206	06/68	6444
AGR 174267	GN 174267	07/68	6444
AGR 174255	GN 174255	06/68	6444
AGR 174288	GN 174288	07/68	6444
AGR 174200	GN 174200	06/68	6444
AGR 586202	BN 586202	04/67	6007
AGR 586155	BN 586155	04/67	6007
AGR 586254	BN 586254	04/67	6007
AGR 586026	BN 586026	03/67	6007
AGR 585575	BN 585575	07/68	6444
AGR 585568	BN 585568	07/68	6444
AGR 585556	BN 585556	06/68	6444
AGR 119806	NP 119806	04/67	6007
AGR 119823	NP 119823	04/67	6007
AGR 119961	NP 119961	05/67	6007

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

BETWEEN

**DEUTSCHE FINANCIAL SERVICES CORPORATION
("LENDER")**

AND

**MIDWEST RAILCAR CORPORATION
("BORROWER")**

August 14, 2001

Memorandum of Loan and Security Agreement made and entered into as of August 14, 2001, by and between Deutsche Financial Services Corporation, a Nevada corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

W I T N E S S E T H:

To secure all obligations of the Borrower under a certain Loan and Security Agreement dated of even date herewith (the "Loan Agreement"), the principal and interest on that certain promissory note (whether now or hereafter outstanding) of even date herewith (the "Promissory Note"), and of all other moneys payable and to be payable to Lender under the Loan Agreement, the Early Promissory Notes and the February, 2001 Loan Agreement (collectively the "Indebtedness") and the timely and faithful performance and observance by Borrower of all of the agreements, covenants, provisions and obligations contained in the Loan Agreement, and the Promissory Note, Borrower has granted, conveyed, pledged, mortgaged, assigned, transferred and set over a security interest, and does hereby grant, convey, pledge, mortgage, assign, transfer and set over a lien on and continuing security interest unto Lender in (i) all of Borrower's right, title and interest, including any interest hereafter acquired, in every Railcar identified on Schedule I attached hereto and made a part hereof, and any Railcar hereafter added to Schedule I by way of supplement or amendment; (ii) Borrower's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Borrower on account of the lease, sale, loss or other disposition of the Railcars; (iv) the Lease and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, subleases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Borrower's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Borrower including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder; (v) all rents, damages and other moneys from time to time payable to or receivable by Borrower under the Documentary Security; and (vi) all collateral described, referenced and set forth in the February, 2001 Loan Agreement, including but not limited to the boxcars described therein and the assignments of leases with respect to said boxcars, and all rentals due under said leases and all proceeds thereof, for which Lender's security interest has previously been recorded with the Surface Transportation Board, Recordation Nos. 23393 A-G (the Railcars, Documentary Security, collateral securing the February, 2001 Loan Agreement, proceeds, rights, claims and causes of action described in items (i) through (vi) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of

the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Agreement.

This Memorandum of Loan and Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Loan and Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender

By: 

Patrick J. Mazzanti

Title: Assistant Vice President

MIDWEST RAILCAR CORPORATION
as Borrower

By: _____

Richard M. Murphy

Title: President & CEO

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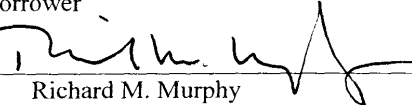
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

DEUTSCHE FINANCIAL SERVICES
CORPORATION, as Lender

By: _____
Patrick J. Mazzanti

Title: Assistant Vice President

MIDWEST RAILCAR CORPORATION
as Borrower

By:  _____
Richard M. Murphy

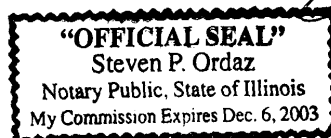
Title: President & CEO

STATE OF ILLINOIS)
COUNTY OF COOK) ss.

On this 14th day of August, 2001, before me personally appeared PATRICK J. MAZZANTI, to me personally known, who being by me duly sworn, says that he is the AVP of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Steven P. Ordaz
NOTARY PUBLIC

My commission expires: 12/6/03



STATE OF _____)
COUNTY OF _____) ss.

On this ____ day of August, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of August, 2001, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Deutsche Financial Services Corporation, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC

My commission expires: _____

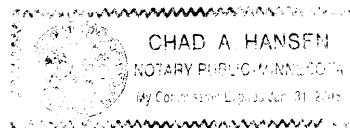
STATE OF Minnesota)
) ss.
COUNTY OF Sherburne)

On this 15 day of August, 2001, before me personally appeared Richard M. Murphy, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Chad A. Hansen

NOTARY PUBLIC

My commission expires: 1/31/05



SCHEDULE I TO
MEMORANDUM OF LOAN AND SECURITY AGREEMENT
BY AND BETWEEN
DEUTSCHE FINANCIAL SERVICES CORPORATION, LENDER
AND
MIDWEST RAILCAR CORPORATION,
BORROWER

DESCRIPTION OF CARS

Cubic Capacity: 6000-6444
Car Builder: Gunderson / Thrall
AAR Code: E500
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